

# The VELUX Group Code of Conduct for suppliers



*Bringing light to life™*

# The VELUX Group Code of Conduct for Suppliers

## 1. Introduction

In the VELUX Group we are aware that CSR goes beyond our own activities, and we take a responsible approach throughout the entire supply chain. It is the VELUX Group's purpose to establish a number of Model Companies, which cooperate in an exemplary manner. By Model Company we mean a company working with products useful to society, which treats its customers, suppliers, employees of all categories and shareholders better than most other companies.

The purpose of this Code of Conduct for suppliers is to make sure that all VELUX Group products and services are developed and manufactured in a responsible way. We aim to establish long lasting relationships with our suppliers to our mutual benefit. The Code of Conduct is built on the ten principles of the UN Global Compact and outlines our expectations to suppliers.

## 2. General Requirements

All suppliers must as a minimum comply with local laws and regulations in their countries of operation. Should any of the specific provisions of the Code of Conduct legally conflict with national or local laws, the applicable laws should always prevail; in these cases, the VELUX Group should be notified.

The VELUX Group offers to assist suppliers with advice in the process of implementing this Code of Conduct as appropriate. We will enter into a constructive dialogue with suppliers to improve overall social conditions and environmental performance.

## 3. Climate and Environment

We expect VELUX Group suppliers to carry out operations with care for the environment and strive to minimise negative impacts on the environment.

- All suppliers must comply with local environmental laws. This includes among others compliance with REACH (Registration, Evaluation and Authorisation of Chemicals) and RoHS (Restriction of Hazardous Substances).
- All suppliers must have a written environmental policy or statement that is appropriate for the size and type of operation.
- We expect suppliers to actively limit the use of resources. This includes minimising the use of raw materials, energy and water, handling waste in an environmentally responsible way and recycling materials as much as possible.
- The VELUX Group expects suppliers to have an environmental management system, preferably one that is certified in accordance with ISO 14001 or equivalent.

## 4. Human Rights and Working Conditions

We expect VELUX Group suppliers to avoid violation of human rights as defined by the International Bill of Human Rights and the core labour rights set out by the International Labour Organisation as reflected in the Declaration on the Fundamental Principles and Rights at Work. We expect our suppliers to share our commitment to these standards.

### **Child labour, forced labour and human trafficking**

The VELUX Group will not conduct business with suppliers that are associated with child labour, forced labour or any form of human trafficking. This includes work on a forced contract, slavery and other forms of work that is done against a worker's will or choice. The VELUX Group believes that all children have the right to a childhood and an education.

- Supplier must ensure that no person is employed at an age younger than 15 or younger than the age of completing compulsory education. Where local legislation permits, workers ages 12-14 may undertake light work a few hours a day provided it is not likely to be harmful to their physical or mental health and development nor to prejudice their attendance at school.

#### **Working conditions**

Employees must be treated within the applicable national or local laws regarding employment. We expect our suppliers to ensure:

- Working conditions, hours, rest periods, leave and wages should be in accordance with local regulations and industry practice and should be at a level that enables a decent living standard according to local conditions. The normal work week must not exceed 48 hours. Overtime work should be voluntary, should not exceed 12 hours per week and should not be requested on a regular basis.
- In companies where an organised labour union exists, working hours should be defined through the collective bargaining process.
- Wages may not be withheld as a disciplinary sanction.

#### **Freedom of association and collective bargaining**

The supplier must respect its employees' right to organise themselves and negotiate collective wage agreements. If independent trade unions are either obstructed or restricted, the supplier shall enable workers to gather independently to discuss work-related issues. We expect our suppliers to ensure:

- Employees must have freedom of association and the right to collective bargaining consistent with applicable laws.

#### **Discrimination**

We expect suppliers to treat employees fairly without discrimination.

- Employees must have equal opportunities and treatment in employment.

#### **Right to privacy**

We expect our suppliers to respect employees' right to privacy when gathering or keeping personal information or implementing employee-monitoring practices.

## 5. Health and Safety

All suppliers must provide a healthy and safe working environment for all employees.

- We expect suppliers to protect employees from work-related hazards and to work to continuously reduce workplace-related hazards, accidents and injuries.
- We expect suppliers to follow all applicable local laws and regulations to prevent accidents and injury to health at employer facilities.
- We expect suppliers to continuously improve working conditions and reduce workplace-related risks and hazards by e.g. introducing a health and safety programme, defining management responsibilities, setting targets and conducting training. This should preferably be managed within a certified occupational health and safety management system in accordance with OHSAS 18001, the replacing new ISO 45001 or equivalent.

## 6. Anti-Corruption

The VELUX Group works against corruption in all its forms, including bribery and facilitation payments.

- We expect that our suppliers do not engage in any form of corrupt practices, including bribery, extortion or money laundering, whether directly or indirectly. This means that a supplier must never, directly or through intermediaries, accept or offer bribes. Suppliers shall also refrain from offering expensive gifts or extravagant entertainment to VELUX employees in an attempt to influence business decisions.
- All suppliers must act in compliance with national and international competition legislation and regulation.

- We expect suppliers to maintain adequate procedures for preventing employees, suppliers etc. from undertaking any illegal behaviour regarding corruption.

## 7. Information and Data

All suppliers must keep all confidential and proprietary information in strict confidence, except when authorised or legally required to disclose information and data. Suppliers must keep customer, employee and other data protected and treat it fairly and in accordance with the law.

## 8. Sub-Suppliers

The VELUX Group requires our suppliers to communicate and use this Code of Conduct in co-operation with their own suppliers for products and services delivered to the VELUX Group, and to ensure compliance with the VELUX Group's Code of Conduct for their suppliers.

## 9. Compliance

The VELUX Group reserves the right to monitor and audit suppliers and their facilities to ensure compliance with the VELUX Group's Code of Conduct for suppliers. In order to verify the supplier's compliance with the Code of Conduct, our suppliers shall be prepared to provide the VELUX Group access to relevant and reasonably requested information and documentation during an audit.

The VELUX Group also reserves the right to monitor and audit, as appropriate, our suppliers' sub-contractors to assess their compliance with the VELUX Group's Code of Conduct for suppliers.

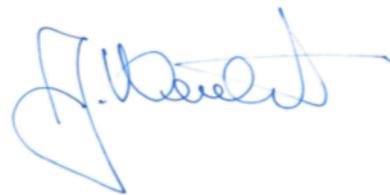
The VELUX Group can request adequate action plans to correct monitoring findings and undertake follow-up visits to ensure that improvements are made. If requested improvements do not progress in an acceptable manner, the VELUX Group reserves the rights to bring the cooperation with the supplier in question to an end.

## 10. Whistleblower System

In the VELUX Group, we promote ethical behaviour in all business relationships. Our whistleblower system "Speak Up!" allows supplier representatives and other individuals not directly employed by VELUX Group to report illegal or unethical practices and violations of this Code of Conduct. Concerns can be reported at [velux.whistleblownetwork.net](http://velux.whistleblownetwork.net). All reports done in good faith will be investigated, and the VELUX Group ensures anonymity and confidentiality to everyone involved in the investigation without fear of retaliation.



Peter Bang  
Executive Director, CFO, VELUX Finance



Jörn Neubert  
Senior Vice President, Supply

**I hereby accept with signature below the above mentioned terms.**

---

**Accepted by:** .....

**Name:** .....

**Date:** .....

**Signature:** .....